



City of Albuquerque

Legislative File Number R-06-64 (version 2)

CITY of ALBUQUERQUE SEVENTEENTH COUNCIL

Allowing the Continuation of a Passenger Facility Charge ("PFC") at Albuquerque International Sunport (Benton)

CITY of ALBUQUERQUE SEVENTEENTH COUNCIL

ALLOWING THE CONTINUATION OF A PASSENGER FACILITY CHARGE ("PFC") AT ALBUQUERQUE INTERNATIONAL SUNPORT (LEGISLATIVE FILE NUMBER R-01-347 - VERSION 1).

WHEREAS, the City of Albuquerque is the public agency that owns and operates the Albuquerque International Sunport; and

WHEREAS, the Aviation Safety and Capacity Expansion Act of 1990 enacted November 5, 1990, and the Wendell H. Ford Aviation Investment and Reform Aid for the 21st Century enacted April 5, 2000 (the "Act") authorized the Secretary of Transportation to approve local imposition of PFC and to use such revenue for approved projects; and

WHEREAS, on December 12, 2003, President Bush signed the Vision 100-Century of Aviation Reauthorization Act (Vision 100) into law, amending 14 CFR Part 158, the Passenger Facility Charge Program; and

WHEREAS, the Albuquerque International Sunport is an airport that serves commercial airlines and is eligible to apply to the Federal Aviation Administration ("FAA") for authorization to impose a PFC in accordance with 49 U.S.C. Section 1513 (e) and the regulations promulgated thereunder; and

WHEREAS, proceeds from PFC's may only be used to finance or reimburse

costs for eligible airport-related projects that preserve or enhance safety, capacity or security of an airport, reduce noise from an airport or furnish opportunities for enhanced competition between or among air carriers; and

WHEREAS, a \$3.00 PFC was implemented at the Albuquerque International Sunport beginning in 1996 and is currently exhausted, and a second PFC was implemented in 2002; and

WHEREAS, the total authorized amount of PFC# 2 collections (approximately \$44.4 million) is expected to be reached in mid-CY2007, at which time the authority to collect PFC's at the Sunport will cease unless the continuation of a PFC program is approved; and

WHEREAS, from 1991 through 2006 several airport capital projects were completed using airport equity funds, rather than FAA Airport Improvement Program (AIP) funds, due to limited availability of AIP funds; and

WHEREAS, certain airport equity funds previously expended on airport improvement projects are eligible for reimbursement to the Aviation Department through the use of continued PFC collections; and

WHEREAS, the reimbursement of prior expenditures through a continued PFC would stabilize airport rates and charges, replenish the airport capital fund (Fund 613), and thereby provide funds for future airport improvement; and

WHEREAS, all airlines routinely operating at Albuquerque International Sunport, and other airlines having significant levels of activity during 2005, have been notified of, and invited to, a consultation meeting with the Aviation Department, which was scheduled on November 16, 2005, at which specific details of the PFC program were presented and discussed.

BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF ALBUQUERQUE, THAT:

Section 1. The Council recognizes that the following airport improvements, for which PFC-reimbursement is sought, will be completed in order to enhance the safety and security of the traveling public at the Albuquerque International Sunport: Runway 3-21 Extension, Terminal Apron Rehabilitation,

Communications Upgrades, Public Space Capacity Enhancements, Mechanical/Electrical/Fire Safety Upgrades, Customs/Federal Inspection Station, Passenger Screening Checkpoint Expansion, Refurbishment of Terminal Facilities, Spirit Drive Extension, University Boulevard Extension, and which projects total approximately \$69.0 million in non-grant, airport equity expenditures, including consultant fees for PFC application development.

Section 2. The Mayor, acting by and through the Aviation Department, is hereby authorized to continue a PFC of \$3.00 at the Albuquerque International Sunport in accordance with the Act and the regulations promulgated thereunder, for reimbursement of the airport equity expenditures for the projects listed in Section 1.

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